

M104710027
cc: Leslie
Task: 4289

Utah Phosphate Company

August 4, 2011

Mr. Tom Faddies
State of Utah School and Institution and Trust Lands Administration
675 East 500 South # 500
Salt Lake City, UT 84102-2818

Mr. Paul Baker
State of Utah, Department of Natural Resources
Division of Oil, Gas and Mining
1594 W. North Temple, Suite 1210
Salt Lake City, UT 84114-5801

RECEIVED

AUG 08 2011

DIV. OF OIL, GAS & MINING

Dear Messrs. Faddies and Baker,

As you are aware, Utah Phosphate Company has negotiated a lease option for three phosphate state leases near Vernal, Utah. These leases are currently held by Ashley Creek Properties, LLC. A small mine permit has been issued to Ashley Creek Properties, with a related reclamation bond for site disturbance for exploration of the site by Ashley Creek Properties.

As part of the due diligence process, Utah Phosphate Company plans to drill up to sixteen (16) holes in the leases. Approval for the drilling is being sought by Utah Phosphate Company under an exploration permit, with Utah Phosphate Company as a designated operator for the purposes of this exploration program. Access to the proposed drill sites is largely through existing disturbance already on site, with an additional 1.64 acres of disturbance for additional access preparation and drill pads. Some road repair is needed for existing access roads.

The enclosed Notice of Intention is submitted in order to keep a clear separation of this new disturbance for the 16-hole exploration program and the surface disturbance from prior activity done by Ashley Creek Properties, LLC. Utah Phosphate Company prefers to permit and bond for the new disturbances as a separate exploration program with a separate reclamation bond. Reclamation of this new disturbance will be completed by Utah Phosphate Company at the end of the drilling program. Ashley Creek Properties has provided permission to Utah Phosphate Company to use the existing disturbances covered under their mine permit (S/047/0105), and has provided permission for Utah Phosphate Company to act as operator for the purposes of this drilling program. Ashley Creek Properties, LLC will retain responsibility for existing disturbance and maintenance of the reclamation bond for their small mine permit.

Enclosed is a copy of Utah Phosphate Company's Notice of Intent to Conduct Exploration. With authorization of the exploration program, Utah Phosphate Company will complete the exploration program by September 30, 2011. Your prompt approval of the exploration program will be appreciated.

Utah Phosphate Company
4582 S. Ulster St. Parkway, Suite 1700
Denver, CO 80237

Utah Phosphate Company

If you have any questions concerning the program, please feel free to contact Ms. Cindy Emmons, Norwest Corporation, 970-245-6552.

Sincerely,



Alan Haslam
Director, Mining

cc: Cindy Emmons, Norwest Corporation
Chris Wilde, Utah Phosphate Company
Elizabeth Archer, Ashley Creek Properties

Attachments: Notice of Intention to Conduct Exploration

For Division Use Only
File Number E
Date NOI Received _____
Date NOI Approved _____
Date NOI Expires _____
DOGM Lead _____
Permit Fee \$ _____ Ck # _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291 - Fax: (801) 359-3940

RECEIVED
AUG 08 2011
DIV. OF OIL, GAS & MINING

NOTICE OF INTENTION TO CONDUCT EXPLORATION

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated, 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

PLEASE NOTE: Information provided in the notice of intention relating to the location, size, or nature of the mineral deposit that is clearly marked confidential will be protected as confidential. Each page or map requested to be kept confidential must be stamped or marked as such. The requested confidential information must describe how the confidential material relates to the location size or nature of the mineral deposit; provide a written claim of business confidentiality; and/or include a concise statement of reasons supporting the claim of business confidentiality, unless disclosing the location of explosives or historic, prehistoric, paleontological, or biological resource that must be considered confidential under statute.

R647-1-106 - "Exploration" means surface disturbing activities conducted for the purpose of discovering a deposit or mineral deposit, delineating the boundaries of a deposit or mineral deposit, and identifying regions or specific areas in which deposits or mineral deposits are most likely to exist. "Exploration" includes, but is not limited to: sinking shafts; tunneling; drilling holes and digging pits or cuts; building of roads, and other access ways;" (and constructing and operating other facilities related to these activities).

I. GENERAL INFORMATION (Rule R647-2-104)

1. Name of Mine: Ashley Creek

2.A. Name of Entity Applying for Permit: Utah Phosphate Company

Contact (Authorized Officer): Jon Goode

Address: 4582 S. Ulster St. Parkway, Ste. 1700

City, State, Zip: Denver, CO 80237

Phone: 208-547-4381 Fax: 208-547-2550

E-mail Address: jgoode@agrium.com

Entity is a: Corporation ☒ LLC ☐ Sole Proprietorship (dba) ☐
Partnership ☐ General _____ or _____ limited
Individual ☐ Other (specify type) _____

Entity must be registered (and maintain registration) with the State of Utah, Division of Corporations www.commerce.utah.gov.

- 2.B. Are you currently registered to do business in the State of Utah? ☒ Yes ☐ No

Entity # 8059537-0111

Local Business License # _____ (not necessarily required)

Issued by: County _____ or City _____

Registered Utah Agent (as identified with the Utah Department of Commerce):

Name: Cindy Emmons, Norwest Corporation

Address: 136 E. South Temple, Ste. 1200

City, State, Zip: Salt Lake City, UT 84111

Phone: 801-539-0044 Fax: 801-539-0055

E-mail Address: cemmons@norwestcorp.com

- 2.C. **Entity's Representative(s) (if different from #2A) authorized and designated to receive notices of violation, cessation orders, and all other notices to be given to the permittee or operator by the Division**

Name: _____

Address: _____

City, State, Zip: _____

Phone: _____

Fax: _____

E-mail Address: _____

Name: _____

Address: _____

City, State, Zip: _____

Phone: _____

Fax: _____

E-mail Address: _____

3. **If Partnership or Sole Proprietor:**
Name of 1st partner / Sole Proprietor:

Name: _____

Address: _____

City, State, Zip: _____

Phone: _____

Fax: _____

E-mail Address: _____

If Partnership:

Name of 2nd Partner: _____

Address: _____

City, State, Zip: _____

Phone: _____

Fax: _____

E-mail Address: _____

If Corporation:

Name of Officers: <u>Ron Wilkinson</u>	Title: <u>President</u>
<u>Chuck Magro</u>	Title: <u>Vice President</u>
<u>Jon Goode</u>	Title: <u>Vice President</u>
_____	Title: _____

If Limited Liability Company: Member Managed ☐ Manager Managed ☐**Name of 1st Member/Manager:** _____

Address: _____

City, State, Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

Name of 2nd Member/Manager: _____

Address: _____

City, State, Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

Name of 3rd Member/Manager: _____

Address: _____

City, State, Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

4. Ownership of Land Surface:Private (Fee) ☒ Public Domain (BLM) ☐ National Forest (USFS) ☐State Trust Land/School Sections ☒ State Sovereign Lands ☐

Other (please describe): _____

Name SITLA Address 675 E. 500 S. Ste. 500, SLC, UT 84102Name Clifton D. Merkley, Trustee Address 6175 Trevarton Dr., Longmont, CO 80503Name Shirley R. Merkley, Trustee Address 6175 Trevarton Dr., Longmont, CO 80503

Name _____ Address _____

5. Ownership of Minerals:Private (Fee) ☐ Public Domain (BLM) ☐ National Forest (USFS) ☐State Trust Land/School Sections ☒ State Sovereign Lands ☐

Other (please describe): _____

Name SITLA Address 675 E. 500 S. Ste. 500, SLC, UT 84102

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): _____

BLM Claim Numbers _____

State Trust Land Lease Number(s): ML 47679, 30662, 30663

Name of Lessee(s) Ashley Creek Properties, LLC

6. **Have the above surface and mineral owners been notified in writing?**

Yes _____ No X

If no, why not? The mineral owner and mineral leasee has already been contacted. Utah Phosphate Company is in the process of contacting the surface owners of Lease ML 47649 regarding the project.

7. **Does the Entity have legal right to enter and conduct mining operations on the land covered by this notice?** Yes X No _____

Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration prior to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5100 for notification requirements.

II. PROJECT LOCATION & MAP (Rule R647-3-105)

1. **Project Location** (legal description):

County(ies): Uintah, See attached table

____ 1/4, of ____ 1/4, of ____ 1/4: Section: ____ Township: ____ Range: ____
 ____ 1/4, of ____ 1/4, of ____ 1/4: Section: ____ Township: ____ Range: ____
 ____ 1/4, of ____ 1/4, of ____ 1/4: Section: ____ Township: ____ Range: ____

UTM East _____ (if known) UTM North _____ (If known)

Name of Quad Map for Location: Taylor Mtn., Dyer Mtn., Dry Fork, and Steinaker Reservoir

2. Include a general location map (USGS 7.5 Minute Series - scale 1"=2000') that shows project location and proposed access route (existing and/or proposed roads).
3. Also include an operations map (scale 1"=200', or other scale as approved by the Division) that identifies:
 - a. The area to be disturbed,
 - b. The location of any existing and proposed operations, including access roads, drill holes, pits, adits, portals, trenches, shafts, cuts, waste dumps, tailing ponds, overburden and soil stockpiles, work areas, etc.,
 - c. The location of any adjacent previous disturbances for which the operator is not responsible (provide photo documentation of these areas).

4. The exploration disturbance boundary (including access/haul roads) should be marked ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible.

III. **PROJECT DESCRIPTION** (Rule 647-2-106)

1. **Minerals to be explored:** Phosphate
2. **Amount of material to be extracted, moved or proposed to be moved:** ~307 ft³
3. **Identify the type or method of exploration proposed** (place an "X"):
- Cuts Pits Trenches Shafts Tunnels
- Air Drilling X Fluid Drilling
- Other (describe) _____

4. **Proposed Disturbances** (Approximate):

Drill Pads: How many? 16 Width ~40 (ft) Length ~75 (ft)

Drill Holes: How many? 16 Depth ~150 (ft) Diameter 6 1/8 (in)

Shafts, trenches, pits, cuts, or other types of disturbance.

Describe type, how many of each, and general dimensions. ~6' diameter holes will be drilled.

Access will be via existing disturbances covered under Ashley Creek Properties, LLC's
small mine permit (File No. S/047/0105). Some road repair will occur within the existing
accesses. A ~15' x 20' x 8' sump for drilling will be constructed at each drill site.

☒ New Road(s): Length ~1,566.1 (ft) Width ~15 (ft)

☐ Widening of Existing Roads

Current Length _____ (ft) Width _____ (ft)

Widened Length _____ (ft) Width _____ (ft)

Total project acreage to be disturbed ~1.64 (acres)

5. **Proposed exploration schedule** (dates):

Begin: August 22, 2011 End: September 30, 2011

IV. OPERATION AND RECLAMATION PRACTICES (Rules R647-2-107, 108, and 109)

An exploration site is required to be kept in a clean and safe condition. Upon completion of exploration, the land is to be reclaimed to a useful condition with at least 70 percent of the original vegetative ground cover. To accomplish this, the Permittee / Operator will need to do the following work where applicable:

1. *Keep the exploration site in a safe, clean, and environmentally stable condition.*
2. *Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.*
3. *Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination, in accordance with R647-2-108.*
4. *Construct berms, fences, or barriers, when needed, above highwalls and excavations.*
5. *Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.*
6. *Remove all waste or debris from stream channels.*
7. *Dispose of any trash, scrap metal, wood, machinery, and buildings.*
8. *Conduct exploration activities so as to minimize erosion and control sediment.*
9. *Reclaim all roads that are not part of a permanent transportation system.*
10. *Remove and store suitable soil material where practical so it is available for reclamation.*
11. *Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.*
12. *Properly prepare seed bed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.*
13. *Reseed disturbed areas with adaptable species. The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.*
14. *Plant the seed with a rangeland or farm drill, or broadcast seed. Fall is the preferred time to seed.*

V. VARIANCE REQUEST (Rule R647-2-110) Yes _____ No X

Any variance must be approved by the Division in writing.

Rules R647-2-107, Operation Practices; R647-2-108, Hole Plugging Requirements; and R647-2-109, Reclamation Practices are summarized on the preceding page. Any planned deviations from these rules should be identified below and justification given for the variance request(s).

<u>Item Number</u>	<u>Variance Request Justification</u>
_____	_____
_____	_____

VI. SURETY (Act 40-8-7(1)[c])

The surety must be provided to and approved by the Division prior to commencement of operations.

The Utah Mined Land Reclamation Act (40-8-7 (1)[c] and 40-8-14 provides the authority that all mining operations furnish and maintain reasonable surety to guarantee that the land affected is reclaimed according to approved *notices* consistent with on-site conditions. The surety amount is based on the nature, extent and duration of operations. All exploration drill holes will be assumed to be wet holes unless otherwise demonstrated and surety will be based on plugging with cement for the entire length of the hole.

Acceptable forms of surety may include: certificates of deposit, letters of credit, surety bonds & cash.

VII. ANNUAL PERMIT FEE [Mined Land Reclamation Act 40-8-7(1)(i)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7 (1)(i)] provides the authority for the assessment of annual permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to new and existing notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

Exploration Notices require a \$150.00 fee which must accompany this application or it cannot be processed by the Division.

VIII. SIGNATURE REQUIREMENT

I hereby verify that the foregoing information is true and accurate and commit to the reclamation of the aforementioned exploration project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

Check the boxes AND place your initials on the line(s) provided)

- Av ☒ I have enclosed the required permit fee (\$150.00).
- Av ☒ I will provide the appropriate reclamation surety and reclamation contract when the surety amount has been determined.
- Av ☒ I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.
- Av ☒ I understand that any information in this notice, regarding the location, size and nature of the mineral deposit, will become public when the file is closed.

Note: This form must be signed by an owner or officer who is authorized to bind the applicant to this Notice. If the applicant is a corporation or limited liability company, the Notice must be signed by an officer, manager, or member. The registered agent is not authorized to sign unless that person is also an officer.

Signature of Permittee/Operator/Applicant: Alan D. Haslam

Name (typed or print): Alan Haslam

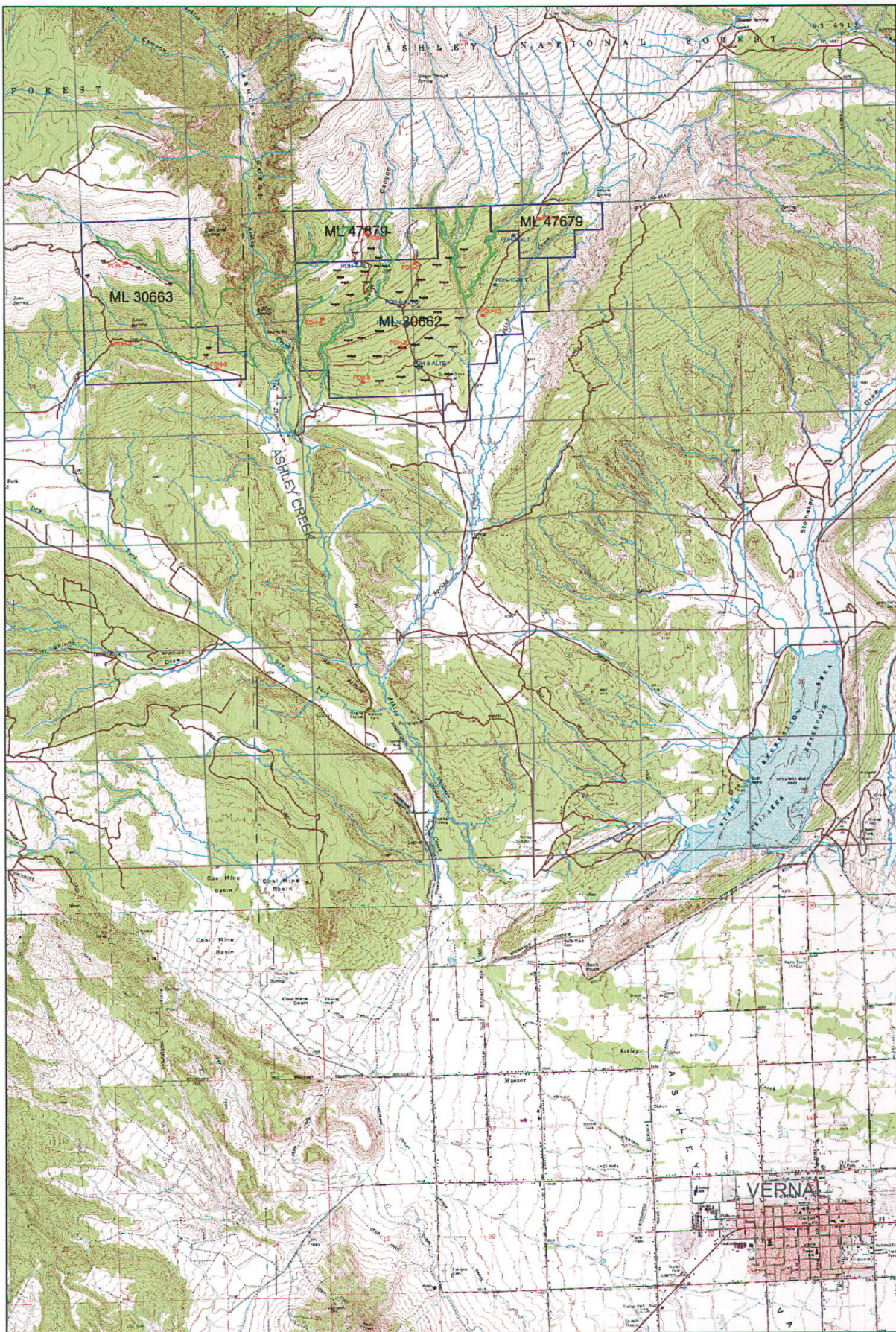
Title/Position (if applicable): Director of Mining

Date: August 4, 2011

II.1 Project Location

Project Location

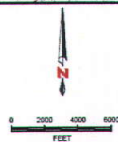
SE	1/4 , of	SE	1/4 , of	NW	1/4 :	Section:	2	Township:	3S	Range:	20E
SW	1/4 , of	NE	1/4 , of	NW	1/4 :	Section:	11	Township:	3S	Range:	20E
SE	1/4 , of	SW	1/4 , of	NW	1/4 :	Section:	12	Township:	3S	Range:	20E
SE	1/4 , of	NW	1/4 , of	NW	1/4 :	Section:	4	Township:	3S	Range:	21E
NW	1/4 , of	NW	1/4 , of	SW	1/4 :	Section:	5	Township:	3S	Range:	21E
NW	1/4 , of	SE	1/4 , of	SE	1/4 :	Section:	5	Township:	3S	Range:	21E
SE	1/4 , of	SE	1/4 , of	NE	1/4 :	Section:	5	Township:	3S	Range:	21E
NW	1/4 , of	SW	1/4 , of	NE	1/4 :	Section:	6	Township:	3S	Range:	21E
NE	1/4 , of	NE	1/4 , of	SW	1/4 :	Section:	6	Township:	3S	Range:	21E
SE	1/4 , of	SE	1/4 , of	SE	1/4 :	Section:	6	Township:	3S	Range:	21E
NE	1/4 , of	NW	1/4 , of	NW	1/4 :	Section:	7	Township:	3S	Range:	21E
NW	1/4 , of	NW	1/4 , of	SE	1/4 :	Section:	7	Township:	3S	Range:	21E
NE	1/4 , of	SE	1/4 , of	NE	1/4 :	Section:	7	Township:	3S	Range:	21E
SE	1/4 , of	NE	1/4 , of	NE	1/4 :	Section:	7	Township:	3S	Range:	21E
NW	1/4 , of	NW	1/4 , of	SW	1/4 :	Section:	8	Township:	3S	Range:	21E
NE	1/4 , of	NW	1/4 , of	NE	1/4 :	Section:	8	Township:	3S	Range:	21E



LEGEND

ROADS
CREEKS
STATE LEASE
BOUNDARY

PROPOSED DRILLHOLE
LOCATION
PROPOSED DRILLHOLE
LOCATION (ALTERNATE)
OUTCROP

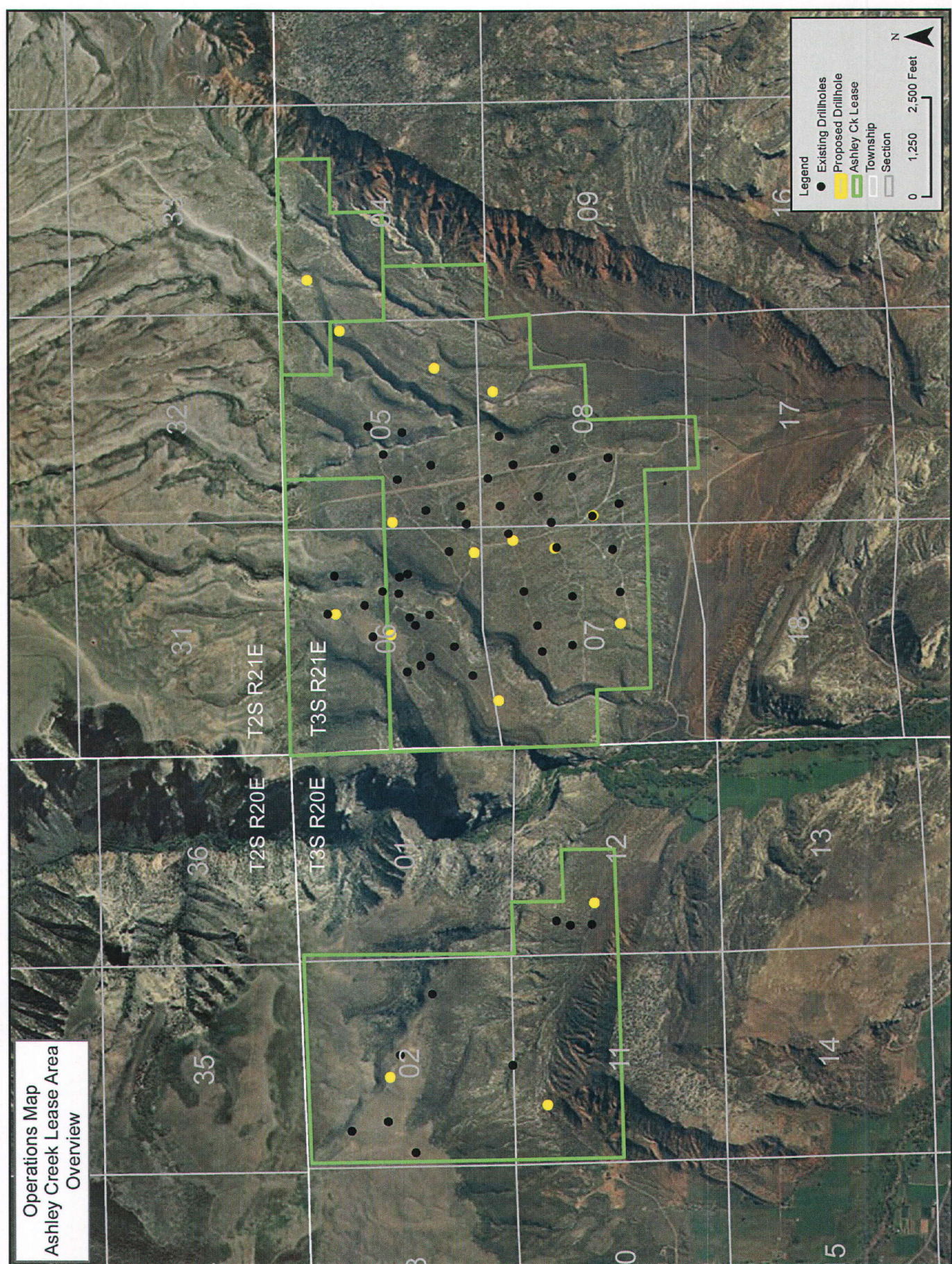


MAP II.2

ASHLEY CREEK
GENERAL
LOCATION MAP

DATE: 07/14/2011 SCALE: 1"=7500' FILE: 5301\N01 **NORWEST CORPORATION**

Operations Map
Ashley Creek Lease Area
Overview



Operations Map
Sec. 2-T3S-R20E
Proposed Drillhole PDH-1



Legend

 Proposed Drillhole

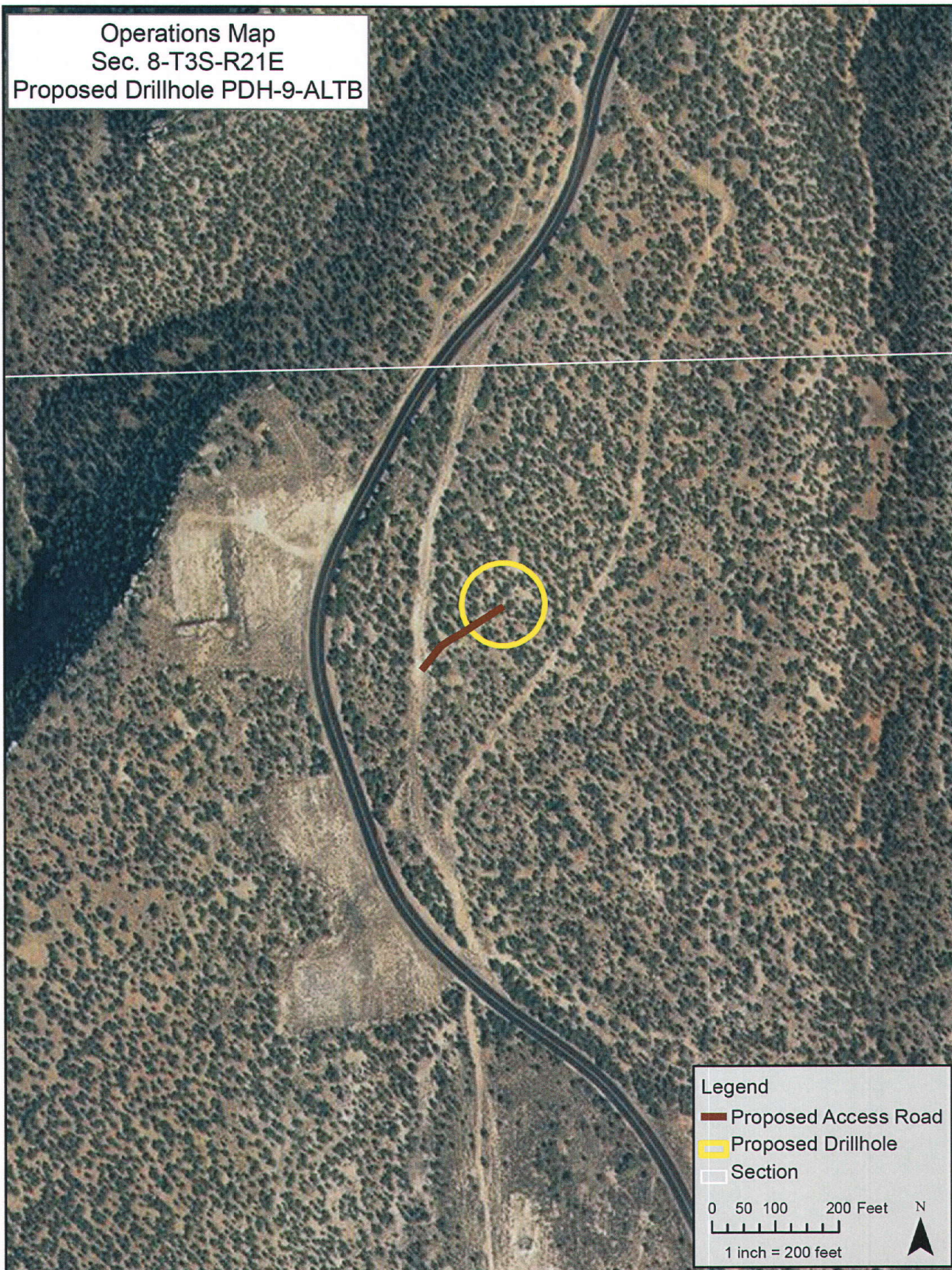
0 50 100 200 Feet



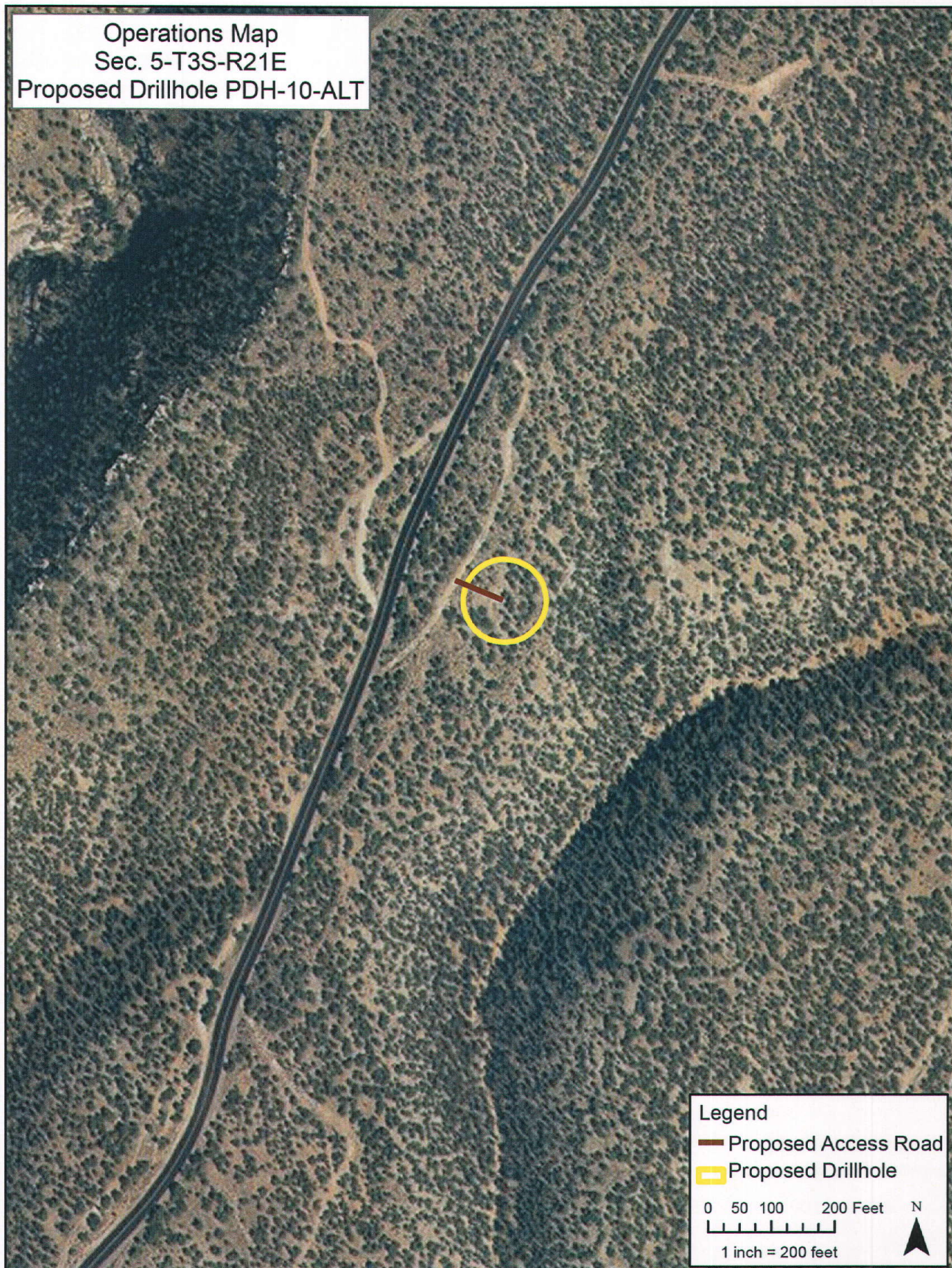
1 inch = 200 feet



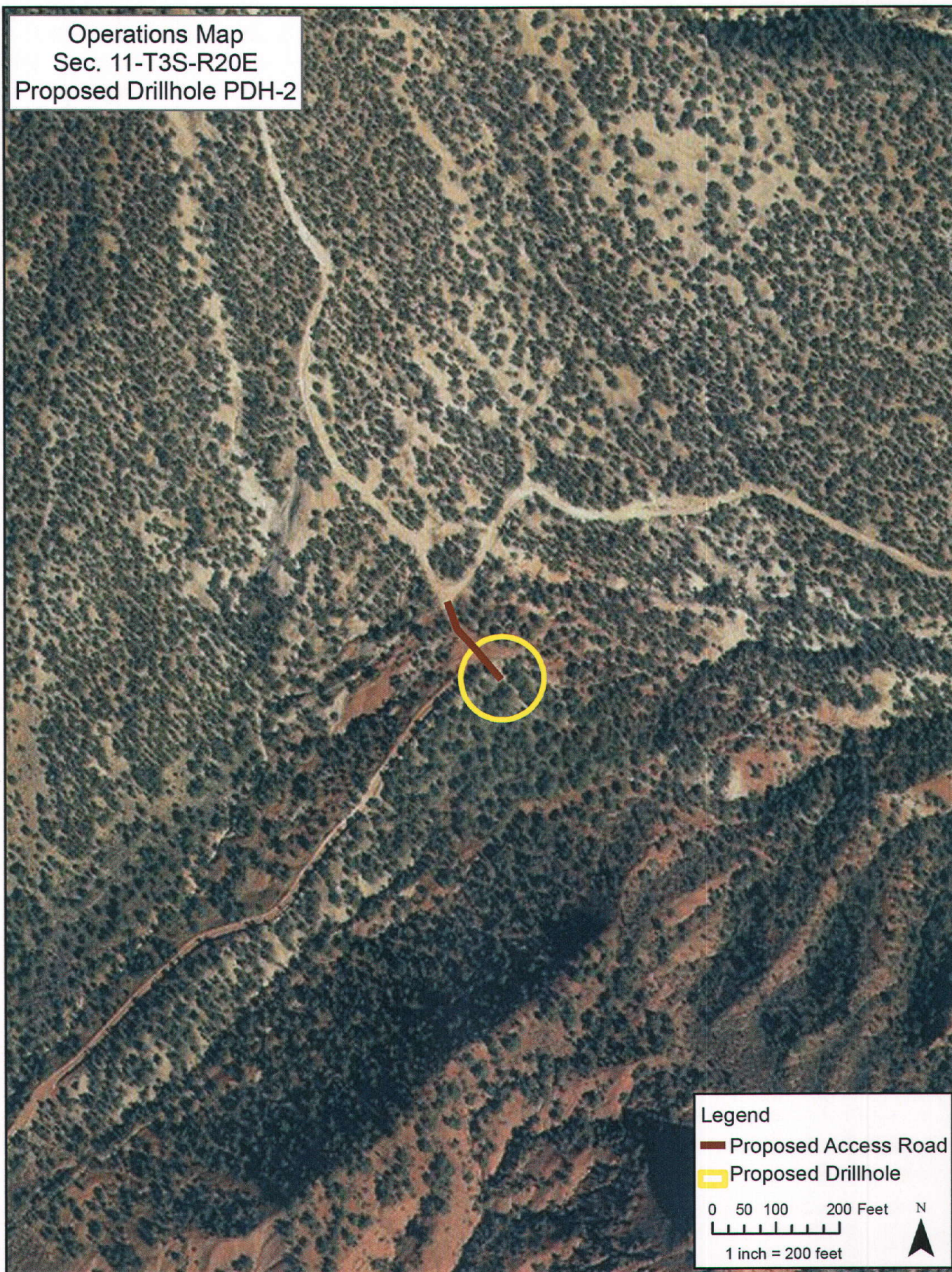
Operations Map
Sec. 8-T3S-R21E
Proposed Drillhole PDH-9-ALTB



Operations Map
Sec. 5-T3S-R21E
Proposed Drillhole PDH-10-ALT



Operations Map
Sec. 11-T3S-R20E
Proposed Drillhole PDH-2



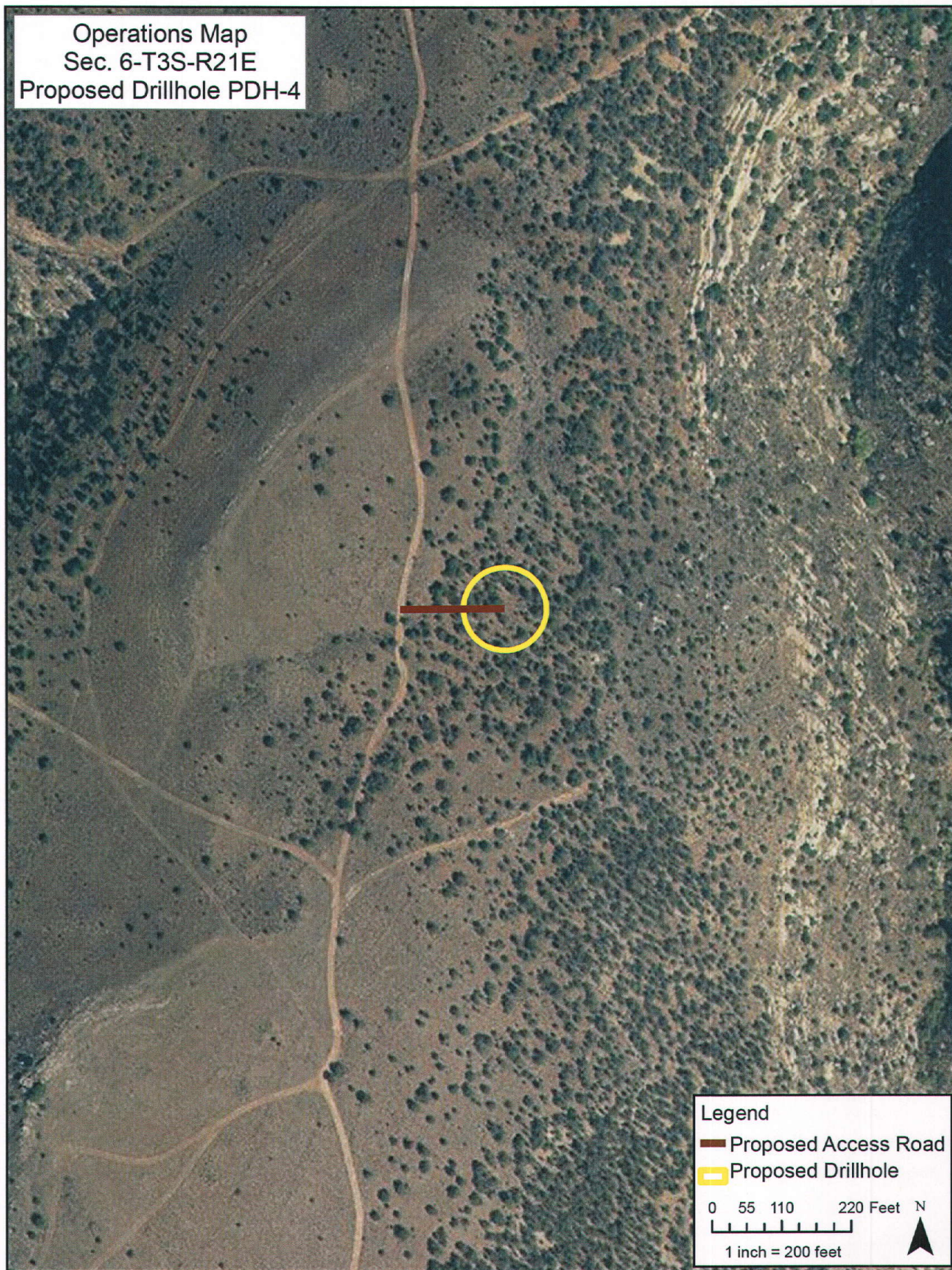
Legend
— Proposed Access Road
○ Proposed Drillhole
0 50 100 200 Feet
1 inch = 200 feet
N

Operations Map
Sec. 12-T3S-R20E
Proposed Drillhole PDH-3

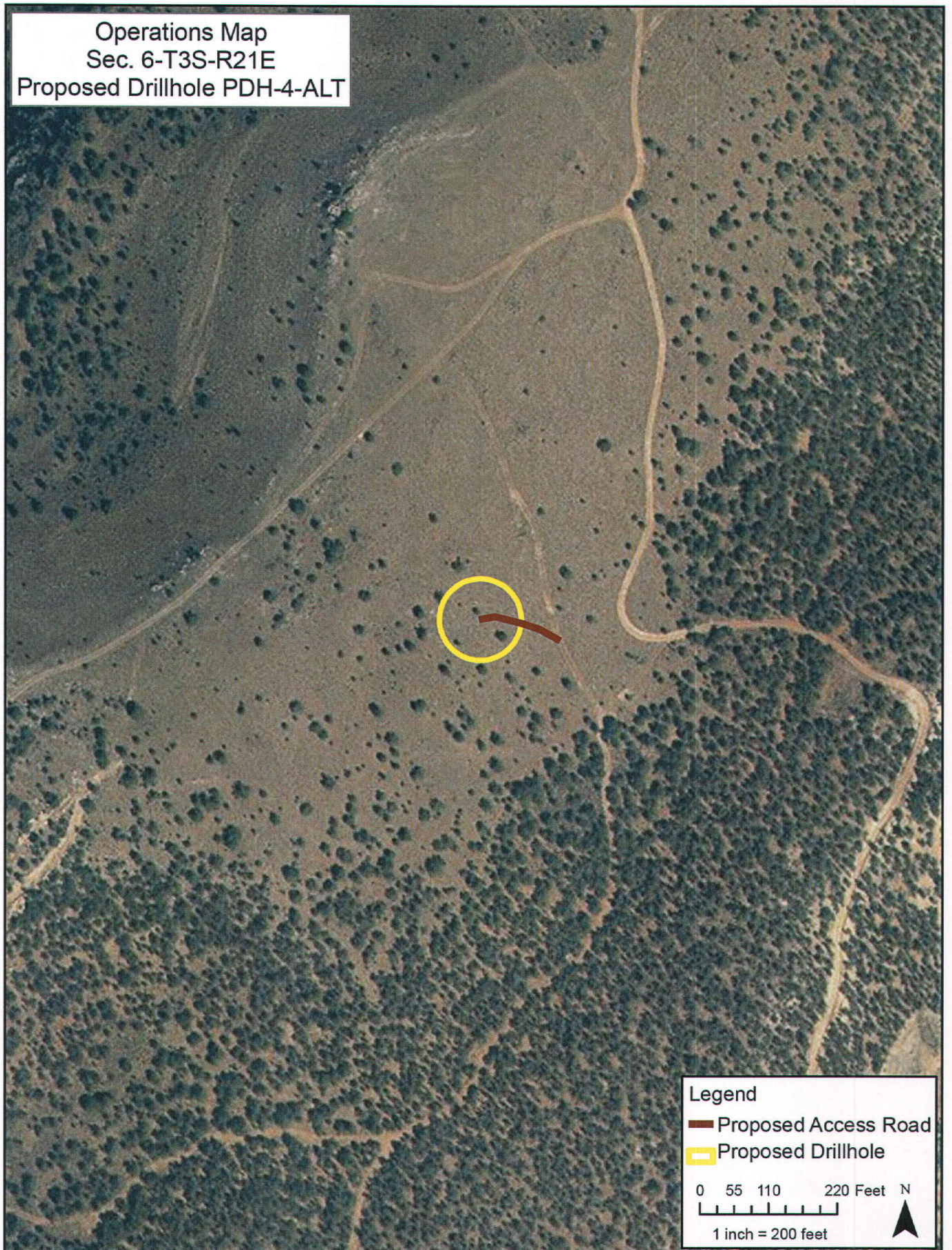


Legend
— Proposed Access Road
○ Proposed Drillhole
0 50 100 200 Feet
1 inch = 200 feet
N

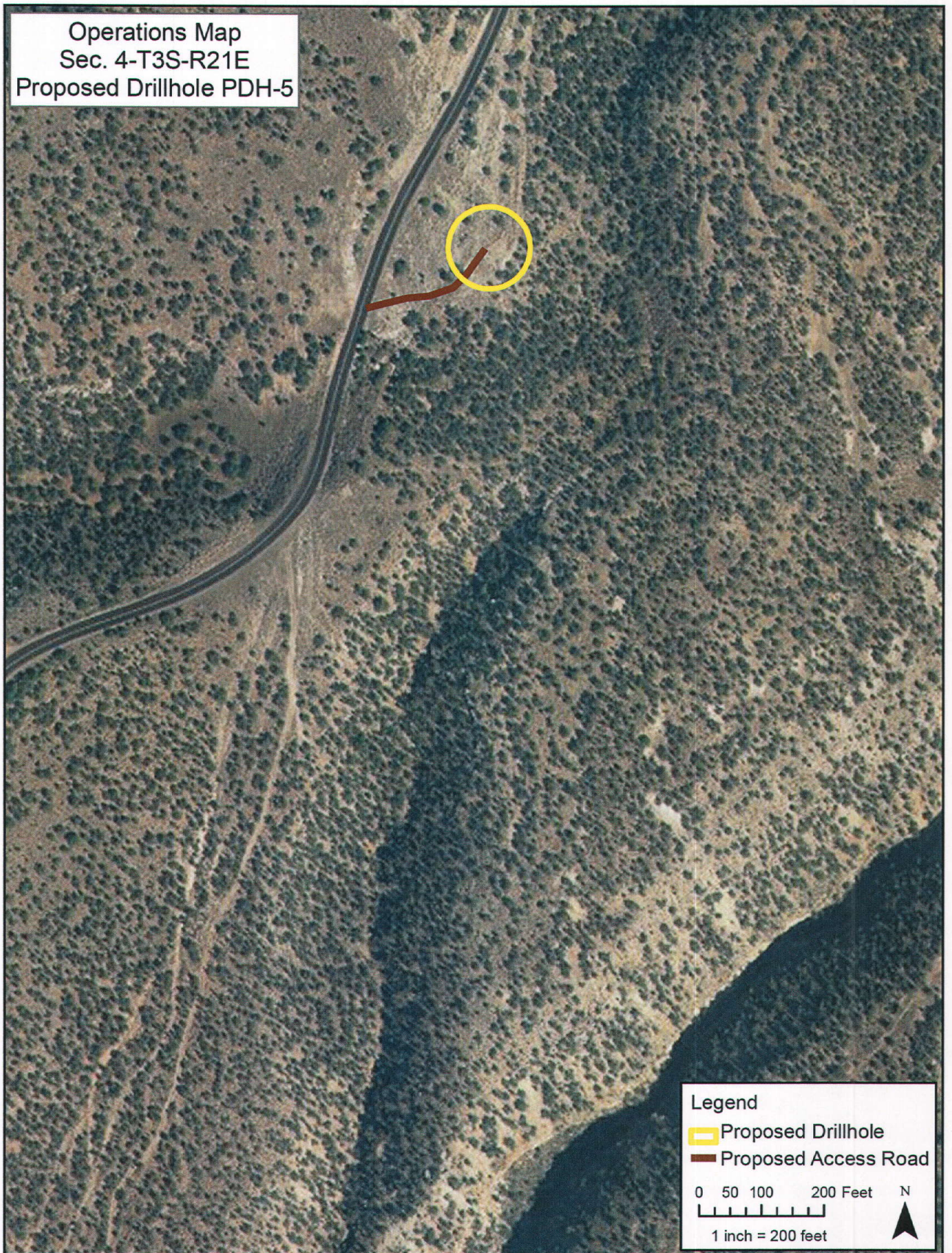
Operations Map
Sec. 6-T3S-R21E
Proposed Drillhole PDH-4



Operations Map
Sec. 6-T3S-R21E
Proposed Drillhole PDH-4-ALT



Operations Map
Sec. 4-T3S-R21E
Proposed Drillhole PDH-5



Legend

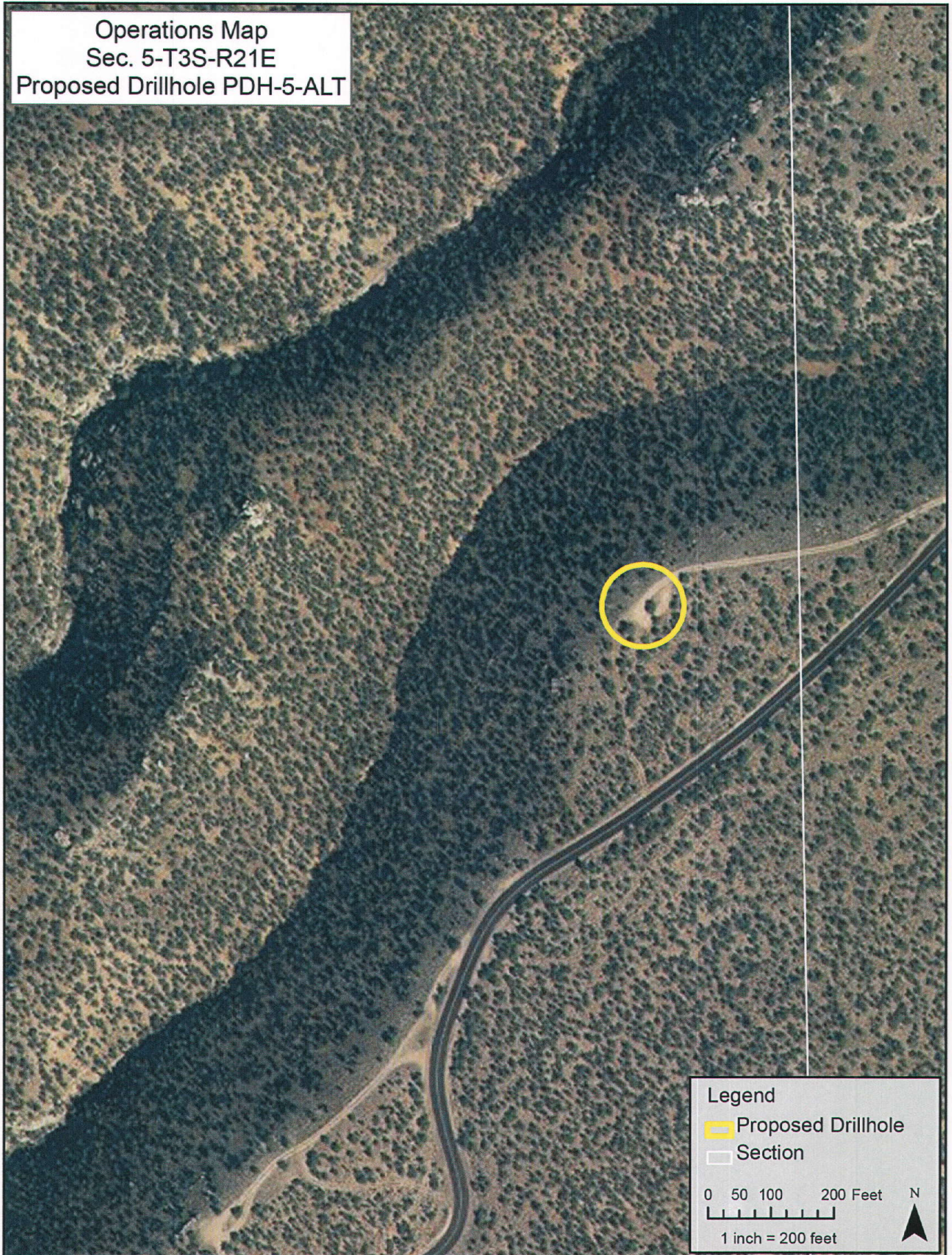
- Proposed Drillhole
- Proposed Access Road

0 50 100 200 Feet

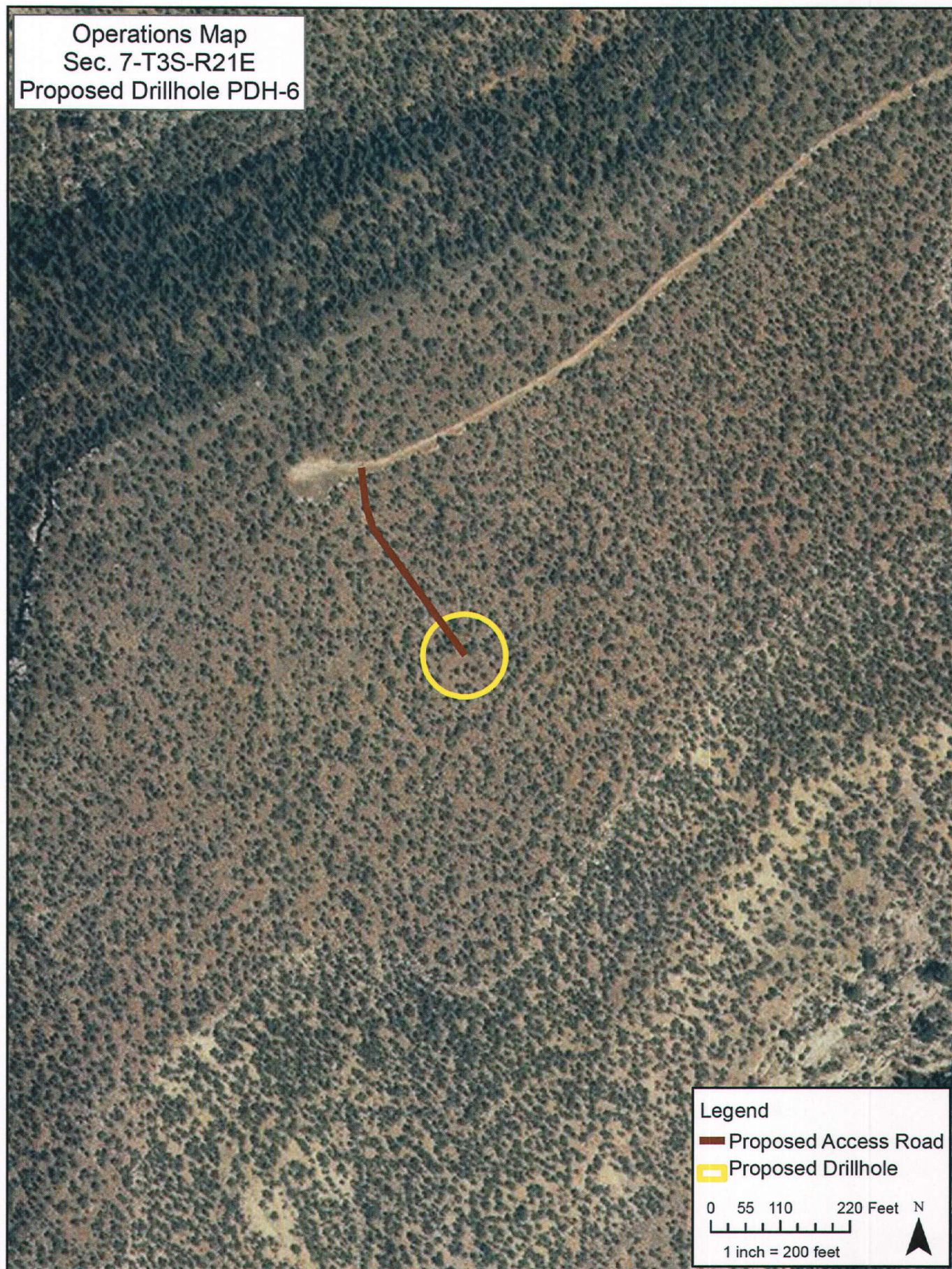
1 inch = 200 feet

N

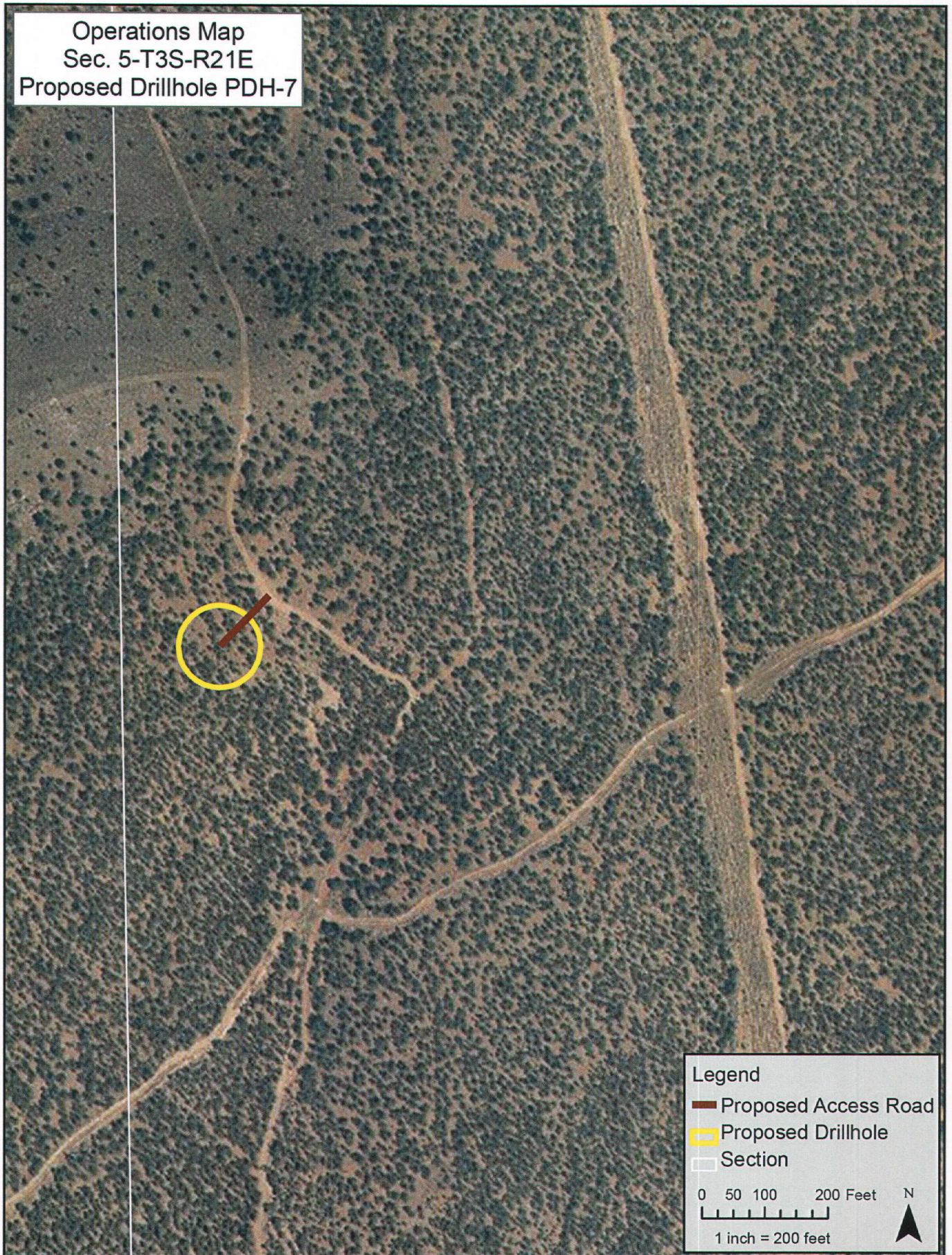
Operations Map
Sec. 5-T3S-R21E
Proposed Drillhole PDH-5-ALT



Operations Map
Sec. 7-T3S-R21E
Proposed Drillhole PDH-6




Operations Map
Sec. 5-T3S-R21E
Proposed Drillhole PDH-7



Operations Map
Sec. 7-T3S-R21E
Proposed Drillhole PDH-8



Legend

 Proposed Drillhole

0 50 100 200 Feet

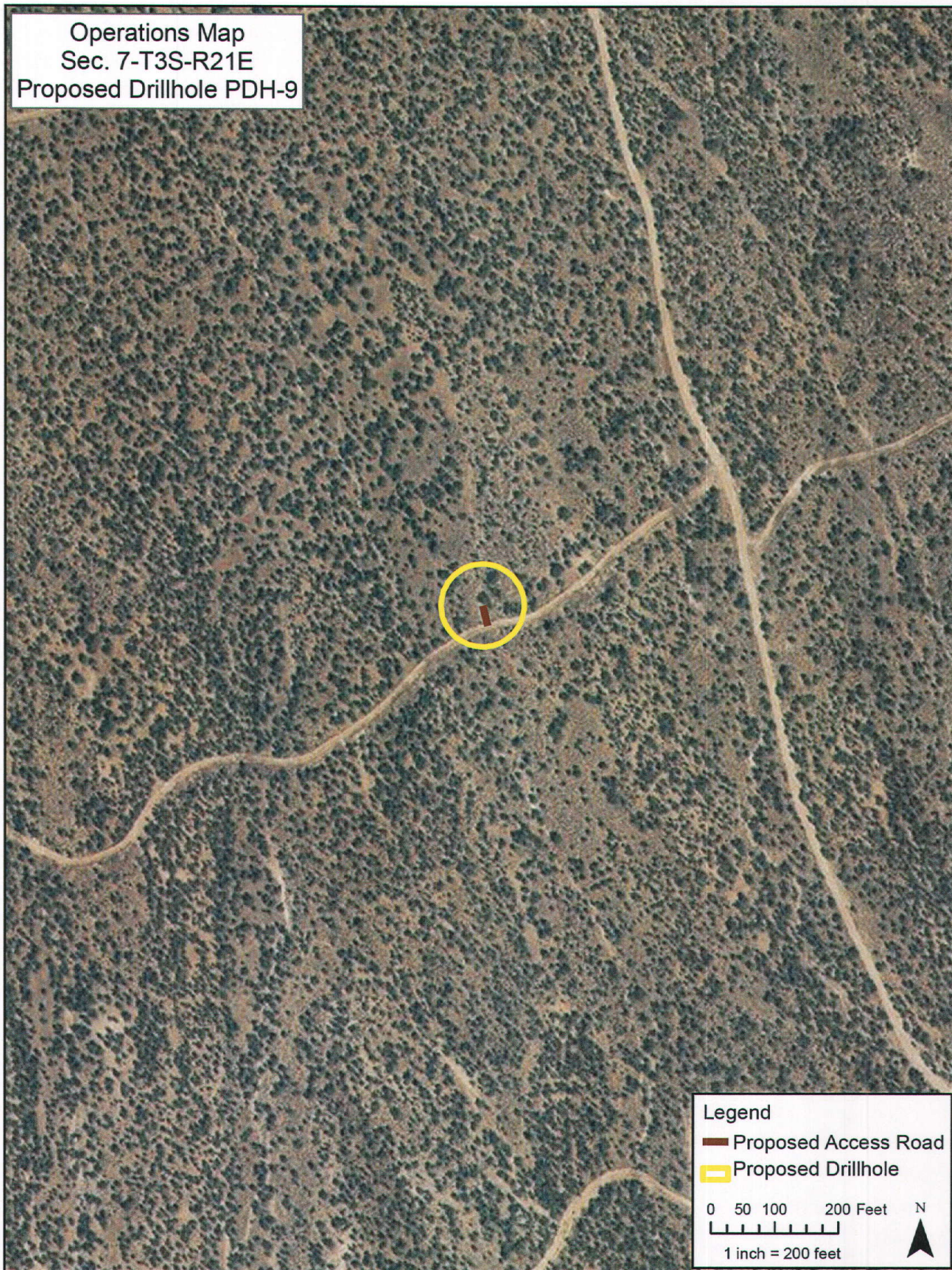


1 inch = 200 feet

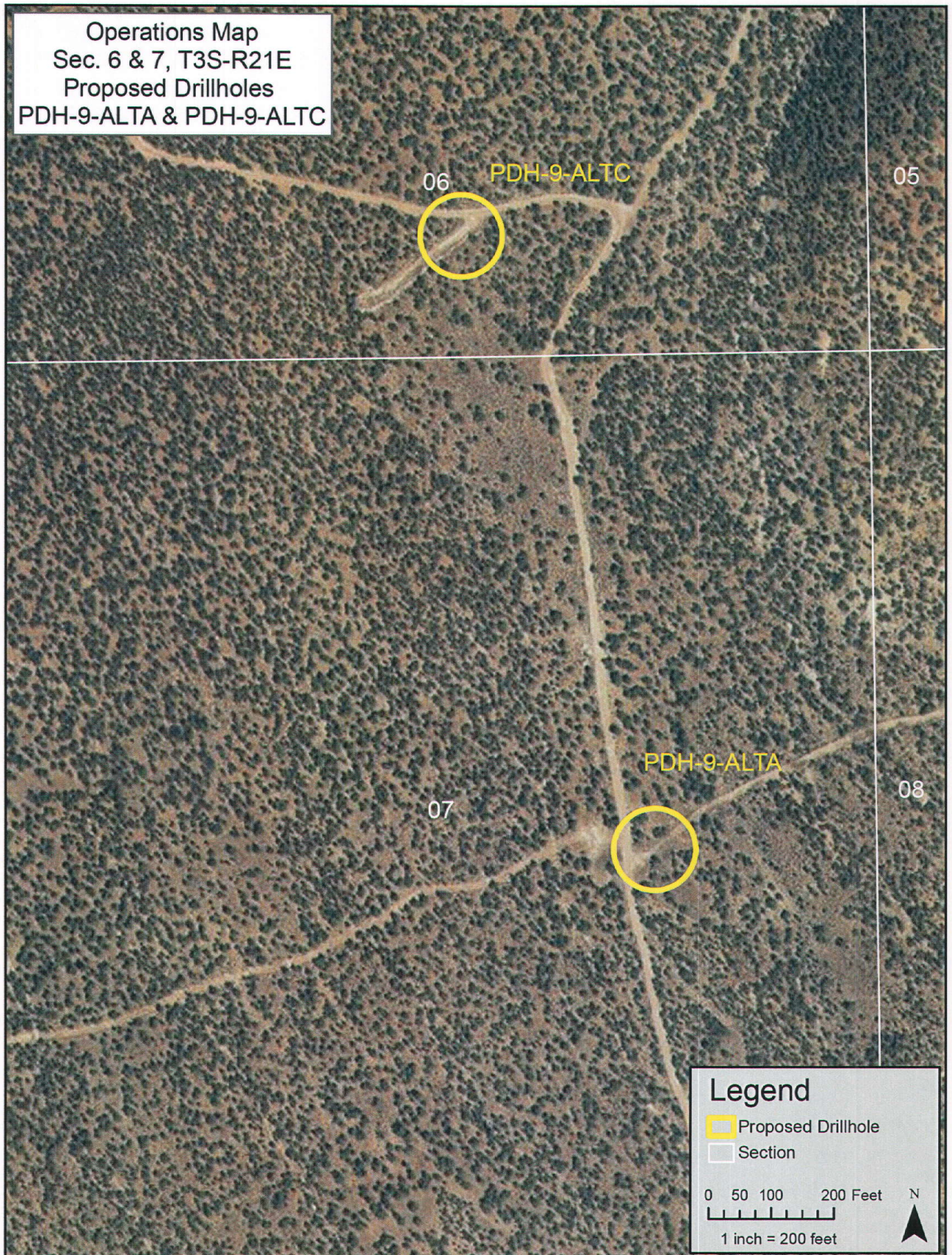
N



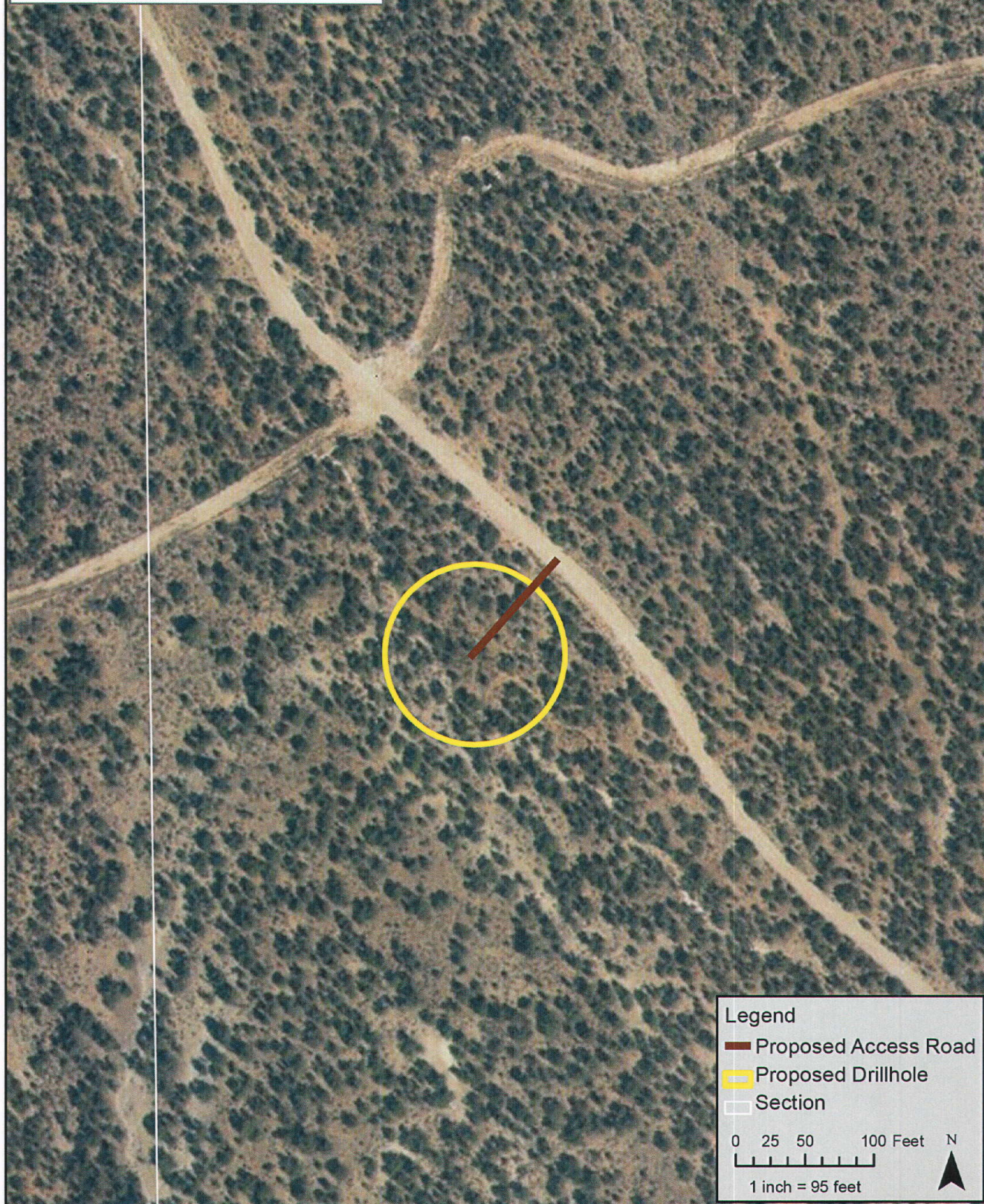
Operations Map
Sec. 7-T3S-R21E
Proposed Drillhole PDH-9

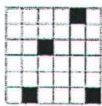


Operations Map
Sec. 6 & 7, T3S-R21E
Proposed Drillholes
PDH-9-ALTA & PDH-9-ALTC



Operations Map
Sec. 8-T3S-R21E
Proposed Drillhole PDH-9-ALTB





State of Utah
School and Institutional
Trust Lands Administration

675 East 500 South #500
Salt Lake City, UT 84102-2818
Telephone No. (801)538-5100
Fax No. (801)355-0922
Web site: trustlands.utah.gov

Date: 08/04/2011

DESIGNATION OF OPERATOR

The undersigned is, on the records of the School and Institutional Trust Lands Administration, holder of lease,
ML 30663

And hereby designates:

Operator Name: Utah Phosphate Company
Address: 4582 S. Ulster St. Parkway
Suite 1700
City: Denver
State: CO Zip Code: 80237

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Director of the Administration or his representative may serve written or oral instructions in securing compliance with the Rules and Regulations Governing the Issuance of Mineral Leases with respect to (describe acreage to which this designation is applicable):

Township	Range	Section	Legal Description	Acres
3S	20E	2	SW4NE4, Lots 1, 2, 3 and 4, S2NW4, S2, SE4NE4	641.12
3S	20E	11	N2	320.00
3S	20E	12	W2NW4, SE4NW4	120.00
Total Acres:				1,081.12

Operator agrees to comply with all lease provisions, statutes, rules, and regulations, whether federal, state, or local, in its operations on the subject lease.

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Rules and Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Director, Trust Lands Administration or his representative.

The lessee agrees promptly to notify the Trust Lands Administration of any change in the designated operator.

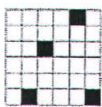
Lessee Name: Ashley Creek Properties, LLC
Address: P.O. Box 58031
City: Salt Lake City
State: UT Zip Code: 84158

Signature of Lessee: Elizabeth A. Williams

Date: Aug-5, 2011

Signature of Operator: Alan D. Webb

Date: 08/04/2011



State of Utah
School and Institutional
Trust Lands Administration

675 East 500 South #500
Salt Lake City, UT 84102-2818
Telephone No. (801)538-5100
Fax No. (801)355-0922
Web site: trustlands.utah.gov

Date: 08/04/2011

DESIGNATION OF OPERATOR

The undersigned is, on the records of the School and Institutional Trust Lands Administration, holder of lease,
ML 47679

And hereby designates:

Operator Name: Utah Phosphate Company
Address: 4582 S. Ulster St. Parkway
Suite 1700
City: Denver
State: CO Zip Code: 80237

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Director of the Administration or his representative may serve written or oral instructions in securing compliance with the Rules and Regulations Governing the Issuance of Mineral Leases with respect to (describe acreage to which this designation is applicable):

Township	Range	Section	Legal Description	Acres
3S	21E	4	Lots 2, 3, 4, 5, and SE4NW4	208.11
3S	21E	5	Lots 1, 4, SW4NW4	103.68
3S	21E	6	Lots 1, 2, 3, 4, 5, SE4NW4, S2NE4	294.54
Total Acres:				606.33

Operator agrees to comply with all lease provisions, statutes, rules, and regulations, whether federal, state, or local, in its operations on the subject lease.

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Rules and Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

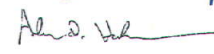
In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Director, Trust Lands Administration or his representative.

The lessee agrees promptly to notify the Trust Lands Administration of any change in the designated operator.

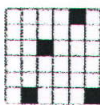
Lessee Name: Ashley Creek Properties, LLC
Address: P.O. Box 58031
City: Salt Lake City
State: UT Zip Code: 84158

Signature of Lessee: 

Date: Aug-5, 2011

Signature of Operator: 

Date: 08/04/2011



State of Utah
School and Institutional
Trust Lands Administration

675 East 500 South #500
Salt Lake City, UT 84102-2818
Telephone No. (801)538-5100
Fax No. (801)355-0922
Web site: trustlands.utah.gov

Date: 08/04/2011

DESIGNATION OF OPERATOR

The undersigned is, on the records of the School and Institutional Trust Lands Administration, holder of lease,
ML 30662

And hereby designates:

Operator Name: Utah Phosphate Company
Address: 4582 S. Ulster St. Parkway
Suite 1700
City: Denver
State: CO Zip Code: 80237

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Director of the Administration or his representative may serve written or oral instructions in securing compliance with the Rules and Regulations Governing the Issuance of Mineral Leases with respect to (describe acreage to which this designation is applicable):

Township	Range	Section	Legal Description	Acres
			See attached description	
			Total Acres:	0.00

Operator agrees to comply with all lease provisions, statutes, rules, and regulations, whether federal, state, or local, in its operations on the subject lease.

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Rules and Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Director, Trust Lands Administration or his representative.

The lessee agrees promptly to notify the Trust Lands Administration of any change in the designated operator.

Lessee Name: Ashley Creek Properties, LLC
Address: P.O. Box 58031
City: Salt Lake City
State: UT Zip Code: 84158

Signature of Lessee: Elizabeth A. Williams

Date: Aug-5, 2011

Signature of Operator: Al D. Voh

Date: 08/04/2011

ML 30662 Lease Legal Description

Township	Range	Section	Legal Description	Acres
3S	21E	4	Lots 6 and 7	92.22
3S	21E	5	Lots 2 and 3, S2NE4, SE4NW4	143.68
3S	21E	6	Lots 6 and 7, S2SW4, SE4	327.73
3S	21E	7	Lots 1 and 2, NE4, E2NW4, NE4SW4, N2SE4	447.3
3S	21E	8	N2NE4, SW4NE4, NW4, N2SW4, SE4SW4	400.00
				1770.93